



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



August 24, 1999

Loan Rates Cause Soybean Overproduction. The Federal farm program is encouraging U.S. farmers to overproduce soybeans, U.S. Agriculture Secretary Dan Glickman said Wednesday. "The programs themselves are encouraging the overproduction of one crop, soybeans," he said. Despite forecasts for the lowest prices in decades, U.S. farmers planted a record 74.1 million acres of soybeans this year due to a huge 1998 crop and sluggish demand. In the 1996 farm bill, Congress raised the maximum loan rate for soybeans from below \$5.00 to \$5.26 per bushel and left other commodity loan rates unchanged. The sharp increase has helped make soybeans an attractive crop for farmers to plant to collect government payments under the loan program. "As long as market prices [for all crops] remain low, the loan rate is going to favor soybeans, and we're going to get more beans and more beans and more beans and more beans," Keith Collins, USDA Chief Economist said. Meanwhile, the decline in soybean prices over the past couple of years appears to give USDA leeway to lower the loan rate for the fall crop. (*Reuters*, 8/18)

Russia Imports Only Feed Grain in 1999. Russia expects a better harvest this year, compared to last year's drought-reduced crop, but still plans to import 8.1 to 8.6 million metric tons (8.9 to 9.5 million tons) of feed grain, officials said Thursday. Last year's grain harvest of 48 million metric tons (53 million tons) was the lowest in decades, prompting Russia to seek food aid from the United States and the European Union. First Deputy Agriculture Minister Anatoly Mikhalev said at a news conference Thursday that Russia wouldn't have to import grain for human consumption this year and that the harvest was expected to reach around 60 million metric tons (66 million tons). (*The Associated Press*, 8/12)

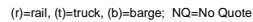
Groups Lobby to Restrict Modified Corn Planting. Several environmental organizations have asked the Federal Government to restrict planting of insect-fighting, genetically engineered corn until tests prove the corn doesn't harm butterflies and moths. Until then, the groups say the Environmental Protection Agency (EPA) should stop renewing approvals for biotech crops developed by St. Louis-based Monsanto Co. and other biotechnology firms. "The EPA is practicing a policy of 'Ready. Shoot. Aim,'" said Jane Rissler, a member of the Union of Concerned Scientists, one of six groups that sent a letter August 10 to EPA Administrator Carol Browner. (*St. Louis Post-Dispatch*, *Bridge News/Tribune Business News*, 8/12)

Information Requested for Containerized Grain Movements. USDA's Agricultural Marketing Service/Transportation and Marketing Programs/Shipper and Exporter Assistance Program is beginning to explore the movements of containerized grain. We are focusing on wheat, corn, and soybean movements and plan to publish our findings periodically, depending upon customer need and preference. We are interested in tracking the ocean freight rates, railcar unloads and loads to and from intermodal facilities, and other pertinent information. If anyone wishes to share with us the findings of previous studies or other useful information, please contact Karla Martin at (202) 720-8264 or by e-mail at karla.martin@usda.gov. Information for this study would be greatly appreciated.

This report is prepared by Karl Hacker, Chambre' Malone, and Karla Martin, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to GTR@usda.gov.

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Futures:			Week Ago	Year Ago
			08/20/99	08/21/98
Kansas City	Wht	Sep	2.9300	2.7550
Minneapolis	Wht	Sep	3.3375	3.2025
Minneapolis	Dur	Sep	3.9500	n.a.
Chicago	Wht	Sep	2.6950	2.5300
Chicago	Corn	Sep	2.0975	2.0550
Chicago	Sybn	Nov	4.7275	5.2600



Inland Bids: Ord. HRW, 14% HRS, #1 SRW, #1 DUR, #1 SWW, #2 Y Corn, #1 Y Soybeans
Export Bids: 12% HRW, 14% HRS, #2 SRW, #2 DUR, #2 SWW, #2 Y Corn, #1 Y Soybeans

Sources...U.S. Inland: All (except ND) - *Market News Report*, AMS, USDA (www.usda.ams.gov)
ND - *Friday Local Cash Grain Prices*, AgWeek, Grand Forks, ND
U.S. Export: Corn & Soybean - *Export Grain Bids*, AMS, USDA
Wheat Bids - *Weekly Wheat Report*, U.S. Wheat Associates, Washington, D.C.
Canada: Bids in CAN\$, Canadian Wheat Board, Winnipeg (www.cwb.ca)

The graph displays the average cost per car for three different trading strategies over a 27-month period. The y-axis represents the average cost in dollars per car, ranging from \$0 to \$300, with a horizontal line at \$0 labeled '\$0=Tariff Rate'. The x-axis shows the delivery month and year from September 1997 to January 2000. The BNSF-SWAP (black line with square markers) and CP-GEEP (red dashed line) strategies show very similar trends, with peaks around \$180 in late 1997 and \$170 in late 1998. The UP-POOL strategy (purple line with circle markers) shows higher peaks, reaching approximately \$230 in late 1997 and \$190 in late 1998. All three strategies show a significant dip in cost around early 1998, reaching a minimum of about -\$150 in April 1998.

Delivery Month-Year	BNSF-SWAP (\$/Car)	CP-GEEP (\$/Car)	UP-POOL (\$/Car)
Sep-97	80	80	110
Oct-97	175	175	200
Nov-97	180	180	230
Dec-97	130	130	220
Jan-98	70	70	140
Feb-98	-10	-10	70
Mar-98	-90	-90	10
Apr-98	-140	-140	-30
May-98	-150	-150	-40
Jun-98	-90	-90	0
Jul-98	-30	-30	50
Aug-98	60	60	110
Sep-98	120	120	160
Oct-98	170	170	190
Nov-98	110	110	140
Dec-98	40	40	60
Jan-99	-10	-10	20
Feb-99	-30	-30	10
Mar-99	-40	-40	0
Apr-99	-50	-50	-10
May-99	-50	-50	-10
Jun-99	-20	-20	10
Jul-99	10	10	30
Aug-99	30	30	60
Sep-99	60	60	90
Oct-99	90	90	110
Nov-99	50	50	80
Dec-99	20	20	40
Jan-00	0	0	20

Rail Car 'Auction' Offerings				
Delivery for:	Oct-99		Dec-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,175	83%	12,175	30%
UP-GCAS	5,400	27%	5,400	12%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Sep-99	Nov-99	Dec-99	Jan-99
BNSF-GF	\$66	\$31	\$12	\$0
CP-GEEP	\$97			
UP-Pool	\$116	\$92	\$37	\$25

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Oct-99	Nov-99	Dec-99
COT/N. Grain	\$120,612	\$3	no bid
COT/S. Grain	\$62	\$11	\$10
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	\$161	\$7	no bid

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com, (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
8/20/99	Lower Ohio	nwk	220
	South Memphis	nwk	390
	Memphis	twk	270
	Twin Cities	twk	270
	Illinois River	twk	225
	Illinois River	nwk	230
	Mid Miss	Sept	270

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

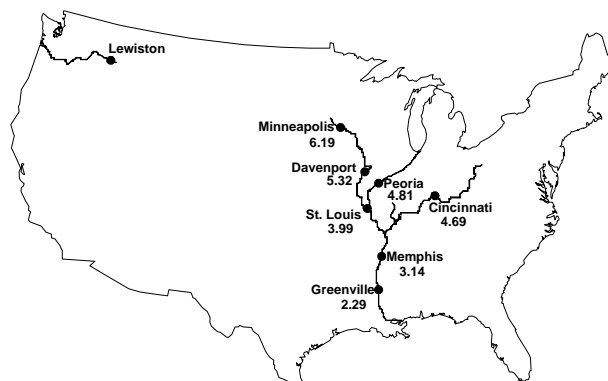
twk=this week
nwk=next week

Southbound Barge Freight Spot Rates

	8/18/99	8/11/99	Sept. '99	Nov. '99
Twin Cities	284	288	309	305
Mid-Mississippi	252	258	279	205
Illinois River	233	211	270	189
St. Louis	225	170	255	167
Lower Ohio	224	178	266	181
Cairo-Memphis	242	171	259	167

Source: Transportation & Marketing /AMS/USDA
nq- no quote

Barge Benchmark Tariff Rates Est. 1976 - 'Tariff No. 7'

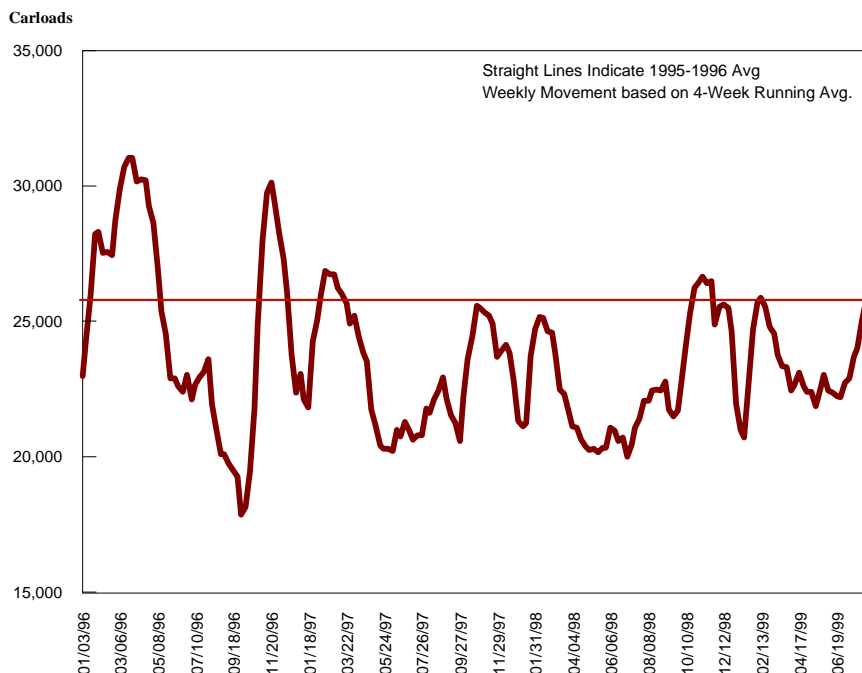


Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
7/31/99	27,134
8/7/99	25,851
8/14/99	26,867
Year to Date - 1999	760,083
Year to Date - 1998**	703,923
Total 1998**	1,183,860
Total 1997*	1,199,995
Source: American Association of Railroads	

**1998 - 52 weeks

* 1997 - 53 weeks



Class I Rail Carrier Grain Car Bulletin

Carloads

	East				West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
08/14/99	0	2,055	1,929	2,116	11,780	554	8,433	1,964	3,747
This Week Last Year	600	2,114	1,767	2,165	8,581	659	7,812	2,027	4,194
1999 YTD	15,522	78,059	52,820	84,580	264,632	21,981	242,489	70,281	121,846
1998 YTD*	22,437	74,025	48,497	80,239	254,786	20,251	203,688	71,785	130,102
1997 Total**	29,834	118,581	80,255	124,834	428,243	34,690	378,888	171,428	272,156
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387

Source: American Association of Railroads

**1998 - 52 weeks

* 1997 - 53 weeks

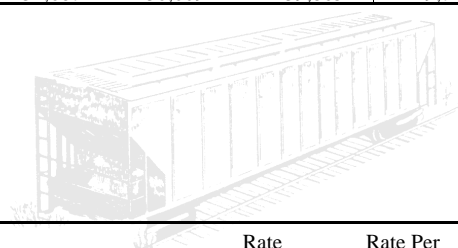
Tariff Rail Rates for Unit Train Shipments

August 1999

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
08/01/99	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,150	\$23.70	\$0.65
08/01/99	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,442	\$48.96	\$1.33
08/01/99	46540	Wheat	Kansas City, MO	Houston, TX	\$1,850	\$20.39	\$0.56
08/01/99	43586	Wheat	Kansas City, MO	Portland, OR	\$4,604	\$50.75	\$1.38
08/01/99	43581	Wheat	Omaha, NE	Portland, OR	\$4,205	\$46.35	\$1.26
08/01/99	31040	Corn	Minneapolis, MN	Portland, OR	\$2,951	\$32.53	\$0.83
08/01/99	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$34.17	\$0.87
08/01/99	31040	Corn	Omaha, NE	Portland, OR	\$2,526	\$27.84	\$0.71
08/01/99	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,480	\$38.36	\$1.04
08/01/99	61180	Soybean	Omaha, NE	Portland, OR	\$3,180	\$35.05	\$0.95
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

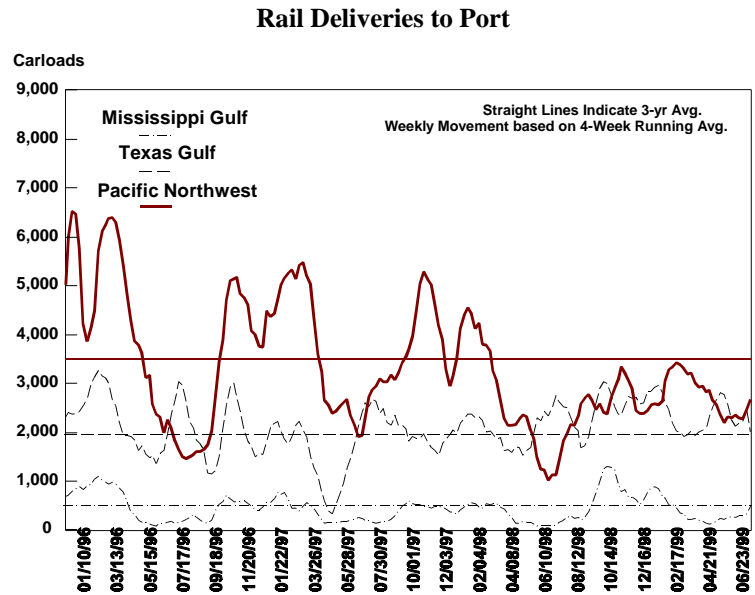
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu



Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
07/07/99	351	1,760	2,153	145
07/14/99	203	2,256	2,168	119
07/21/99	243	2,489	2,304	459
07/28/99	362	2,415	2,464	162
08/04/99	512	2,859	2,936	147
08/11/99	855	264	3,025	129
YTD 1999	13,140	75,026	87,786	8,309
YTD 1998	9,934	66,905	85,162	6,654
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147

Source: Transportation & Marketing/AMS/USDA

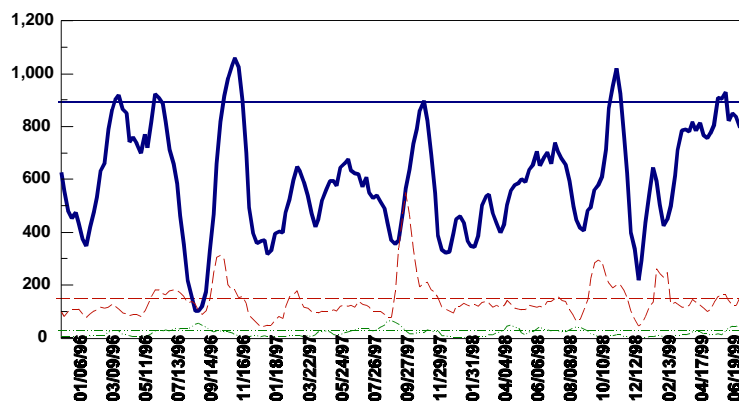


Barge Movements - Locks 27

1,000 Tons

Straight Lines Indicate 3-yr Avg.
Weekly Movement based on 4-Week Running Avg.

Corn
Wheat
Soybeans



Barge Grain Movements

for week ending 08/14/99

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	480	27	35	550
Winfield, MO (L25)	632	8	135	782
Alton, IL (L26)	730	18	156	906
Granite City, IL (L27)	762	20	173	956
Illinois River (L8)	165	0	20	186
Ohio (L52)	11	24	18	69
Arkansas (L1)	0	57	0	57
1999 YTD	23,212	1,854	4,764	31,671
1998 YTD	17,702	1,516	4,712	25,824
Total 1998	31,226	2,420	8,866	45,625
Total 1997	29,685	2,689	9,584	45,315

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
08/12/99	1,659	379	755	378	209	3,380	9,592	3,610	16,582
This Week Year Ago	1,520	448	1,047	782	212	4,020	7,702	3,415	15,137
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	2,614	756	1,042	599	175	5,186	46,620	21,680	73,486
97/98 YTD	2,558	363	1,229	707	145	5,001	35,034	17,713	57,748
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
08/19/99	164	212	8	231	522	216	351	0	0
1999 YTD	6,394	5,627	430	4,451	22,633	8,248	5,280	460	747
1998 YTD *	5,579	3,322	402	3,164	17,469	8,207	4,406	254	624
% of Last Year	59%	129%	66%	88%	72%	55%	73%	82%	54%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

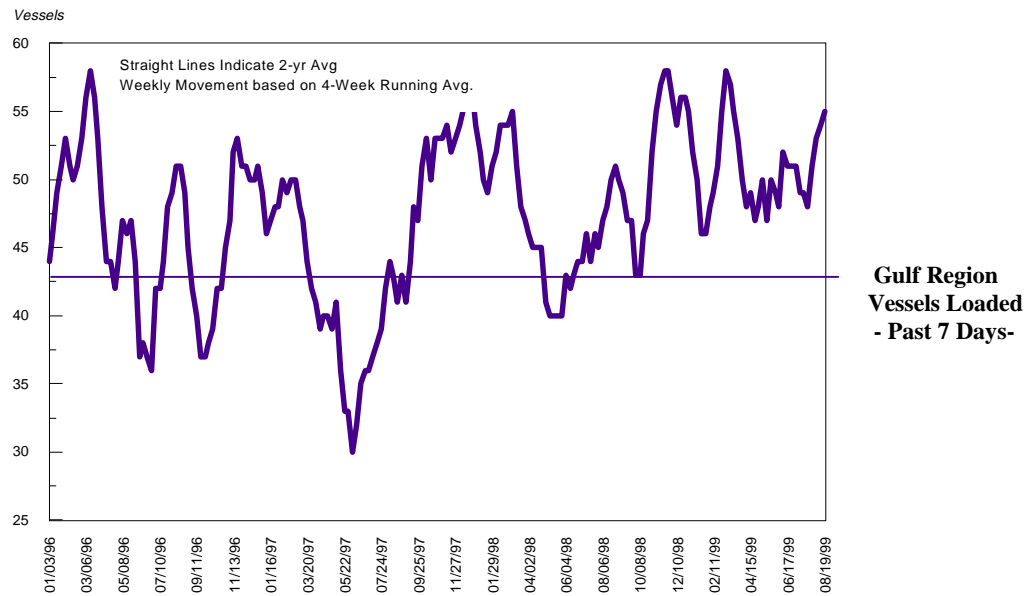
Source: Federal Grain Inspection Service * YTD-Year-to-Date ('98 = 53 week period)

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 08/18/99			
Vancouver	269	83	22
Prince Rupert	0	0	0
Prairie Direct	48	10	9
Thunder Bay	75	0	17
St. Lawrence	121	71	0
1999YTD Exports	513	164	48
1998 YTD Exports	380	147	2
% of Last Year	135%	112%	2400%

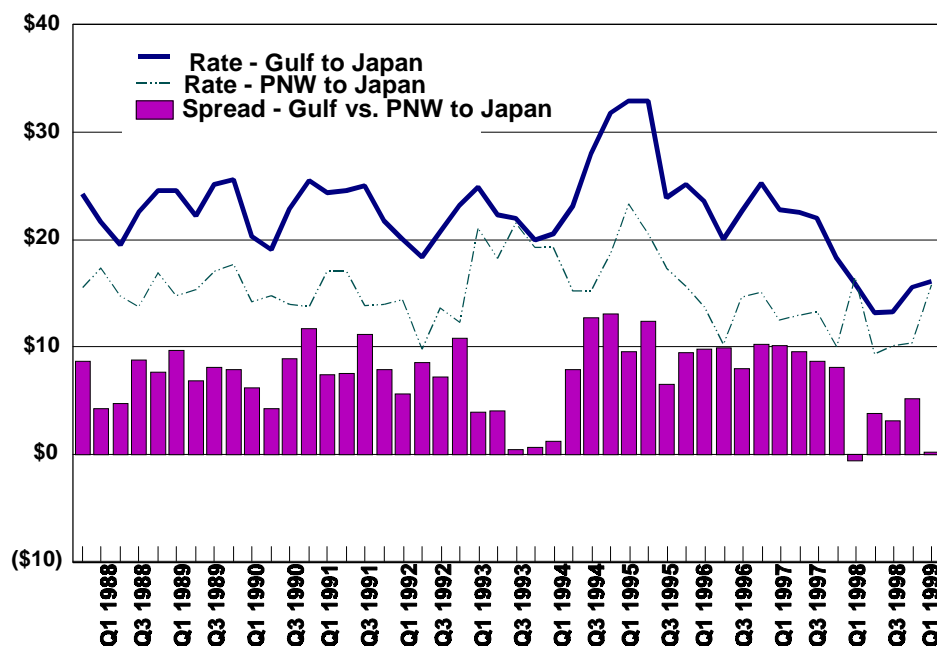
Source: Canadian Grains Commission *Year Ago-This Week a Year Ago **
YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
08/12/99	35	51	73	10			8	10	3
08/19/99	31	51	59	10			10	7	0
1998 Range	(19..62)	(34..64)	(40..93)				(1..16)	(3..14)	(0..10)
1997 Range	(11..52)	(25..61)	(31..89)						
1998 Avg	40	48	61				9	9	3
1997 Avg	33	45	58						
1996 Avg	38	46	62						

Source: Transportation & Marketing/AMS/USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	1999 2 nd Qtr	1998 2 nd Qtr	% Change		1999 2 nd Qtr	1998 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$16.08	\$15.93	1%	Japan	\$15.83	\$16.49	-4%
Mexico	\$22.45	\$12.42	81%	Red Sea/ Arabian Sea	\$45.80		
Venezuela	\$13.91	\$12.27	13%				
N. Europe	\$12.28	\$9.36	31%	Argentina to			
N. Africa	\$17.80	\$12.83	39%	N. Europe	\$23.92	\$13.13	82%
				Japan	\$20.82	\$18.55	12%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates (Select Locations) - week ending 08/21/99

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Duluth	Italian Adriatic	Heavy Grain	August	18,000	\$25.00
Gulf	San Antonio & Lirquen (Chile)	Heavy Grain	Prompt	30,000	\$21.00
Gulf	Ireland/UK op Lisbon/Hamburg	Grain	August/September	29,300	\$12.46
Gulf	Algeria	Maize	August	20,000	\$21.00
Gulf	Japan	Heavy Grain	October	54,000	\$19.95-\$20.50
River Plate	Italy 2 Pts	Grains	August	35,000	\$16.57
Rouen	Algeria	Wheat	Prompt	25,000	\$15.00
Rouen	Mangalore (India)	Wheat	August	25,000	\$25.00
Thunder Bay	UK 2 Pts	Wheat	Prompt	18,000	\$25.00

Source: Maritime Research Inc.